



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10

1200 Sixth Avenue, Suite 900
Seattle, WA 98101-3140

OFFICE OF
ECOSYSTEMS, TRIBAL AND
PUBLIC AFFAIRS

May 2, 2011

Ms. Victoria Rutson, Director
Office of Environmental Assessment
Surface Transportation Board
395 E Street S.W.
Washington, DC 20423-0001

Re: EPA comments on the STB Final EIS for the ARRC Construction and Operation of a Rail Line Extension to Port MacKenzie, Alaska Project, EPA Project #08-011-DOT

Dear Ms. Rutson:

We have reviewed the Final Environmental Impact Statement (EIS) for **Alaska Railroad Corporation (ARRC) Construction and Operation of a Rail Line Extension to Port MacKenzie, Alaska** (CEQ No. 20110096) in accordance with our responsibilities under the National Environmental Policy Act and Section 309 of the Clean Air Act.

EPA previously assigned an "EO" (Environmental Objections) rating to the draft EIS for the project's potential impacts to various resources. Specifically, we objected to several of the alternatives due to potential impacts to water quality, open water habitats, wetlands, stream channels, and riparian areas. In addition, we expressed our concern regarding the project's potential to reduce ecological connectivity and cause habitat fragmentation from rail line and road construction and operation, as well as proposed waterbody crossings.

We also identified areas where we believed the document lacked sufficient information to either support some conclusions or adequately disclose potential impacts. We stated that the need for the project was not clearly identified, thus not supporting the determination for public necessity as required for the STB. We recognized that the document did not include an assessment of impacts to visual resources, or adequately consider impacts to vulnerable populations who rely on subsistence resources or other port communities, such as Seward, that may be adversely impacted by the project.

We also asserted that there was not enough information to determine whether any of the alternatives comply with Clean Water Act (CWA) 404 (b) (1) guidelines, and that possibly none of the proposed alternatives would qualify as the least environmentally damaging practicable alternative (LEDPA). We made recommendations for additional analysis to further identify potential impacts as well as consider additional alternatives and mitigation that could reduce impacts.

From our review of the final EIS, we acknowledge that many improvements have been made to the final EIS, namely: the refinement of the alignment of the preferred alternative (Mac

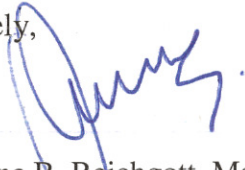
East Variant-Connector 3 Variant-Houston-Houston South, which appears to reduce some impacts to waters of the U.S.); the additional mitigation recommended by the Office of Environmental Assessment (OEA) for inclusion in the Board's decision; the thorough response to public and agency comments; and the use of change bars to identify document sections that have been revised from the previous version. We also appreciate that an assessment of potential impacts to visual resources has been included in the final EIS in response to our recommendation, and that the final EIS contains a discussion of the relationship of the EIS to the LEDPA.

We do continue, however, to have serious concerns regarding the project's potential impacts to waters of the U.S. and aquatic resources; impacts to residents, especially low income residents who rely on trails for access to subsistence resources and for other traditional activities; the lack of analysis of impacts from construction and staging areas; the absence of analysis of an alternative without a full-length permanent access road; and the lack of a preliminary 404(b)(1) analysis to ensure the preferred alternative can be authorized the Army Corps of Engineers. We also disagree with the STB's conclusion made in response to our earlier comments that elevating portions of the rail may not be reasonable, particularly since portions of the line are proposed to be elevated. We understand that practicability was not considered in this determination but such alternatives will need to be considered in the 404(b)(1) analysis.

We believe that the final EIS does not provide the project need and a clear demonstration for public necessity, including a preliminary cost-benefit analysis. Finally, we are concerned that the EIS does not appear to include the ARRC's current project proposal (with the terminal reserve located along the Mac East Variant and an alignment that does not extend as far west as the STB preferred route) as presented in recent ARRC written materials and at a recent ARRC open house.

Thank you for the opportunity to comment on the final EIS. Should the STB authorize this project, we look forward to continuing to work with OEA, the ARRC, the Corps, the State of Alaska, and other stakeholders as the project progresses to further minimize impacts to waters of the U.S. as well as other resources in the project area. Please feel free to contact me at (206) 553-1601 or by electronic mail at reichgott.christine@epa.gov, or contact Jennifer Curtis of my staff at (907) 271-6324 or curtis.jennifer@epa.gov, with any questions that you may have regarding these comments.

Sincerely,


for Christine B. Reichgott, Manager
Environmental Review and Sediments Management Unit

cc: Dave Navecky, STB-OEA
Don Perrin, ADNR-OPMP
Ben Soiseth, USACE-Alaska District